

A-133 Compliance Audit

An audit of an agency receiving federal funding. This agency is called a sub-recipient. The audit must be conducted by an independent auditor and be done in compliance with the Single Audit Act Amendments of 1996 and OMB Circular A-133. At a minimum, the audit must include an examination of the systems of internal control, systems established to ensure compliance with laws and regulations affecting the expenditure of federal funds, financial transactions and accounts, and financial statements and reports. An A-133 Compliance Audit is required as part of the annual audit of all Iowa school districts and Area Education Agencies that expend at least \$500,000 from federal awards.

Abatement

A reduction in amount, usually referring to taxation.

Account

A descriptive heading under which are recorded financial transactions that are similar in terms of a given frame of reference, such as function, object, or source.

Accounting

The procedure of maintaining systematic records of events relating to persons, objects, or money and summarizing, analyzing, and interpreting the results of such records.

Accounting Records

The records kept of revenue, expenditures or expenses, and balances. These documents may be able to provide more detailed information on specific items than is published in the district's financial reports.

Accrual Basis

The basis of accounting under which most financial transactions are recorded when they occur regardless of when the cash is actually received or disbursed. All Iowa school districts and area education agencies are required to use this basis of accounting for all official financial reports and certified budgets.

Activity Based Budgeting

A technique to give management information to continuously improve performance and reduce costs. It is a continuous process involving strategic planning and value analysis. It identifies support costs and their relationship to products or outputs, and determines the best index to measure the activity rather than using a single cost accounting measure.

Activity Fund

See Student Activity Fund

ADA

(Average Daily Attendance)

ADM

(Average Daily Membership)

Adopted Budget

The budget voted on and adopted by the local school board after publication and public hearing. See Certified Budget.

Advance Refunding

See Refunding Bonds

AEA

(Area Education Agency)

AEA Flow Through

An amount determined by the Iowa School Foundation Formula which must be budgeted by the local school districts. This amount is withheld from the local district's state aid and is paid directly to the Area Education Agency.

Affidavit

A written or printed declaration or statement of facts, made voluntarily, and confirmed by the oath or affirmation of the party making it, taken before a person having authority to administer such oaths or affirmation. A person is guilty of perjury if in any official proceeding or on any official report, this person knowingly and willfully makes a false statement under oath or equivalent affirmation, including in an affidavit.

Agency Funds

Funds used to account for assets received and held as an agency for individuals, private organizations such as school foundations, and other governments. The school acts merely as a custodian of the assets and is not an owner.

Aid and Levy Worksheet

A form prepared by the Department of Management to assist districts in determining their funding under the Iowa School Foundation Formula.

Allowable Growth

The amount by which state cost per pupil and district cost per pupil will increase from one budget year to the next. Each year the amount is increased by a dollar amount which is the product of the allowable growth rate set by the legislature times the state cost per pupil from the prior budget year.

Ancillary Services

Services to support the main educational program. Ancillary services include transportation services and food services.

Anticipatory Warrants

Warrants issued in anticipation of collection of taxes, retireable only from tax collections, and frequently retireable only from the tax collections anticipated with their issuance. The proceeds of tax anticipation notes or warrants are treated as current loans (balance sheet transactions).

Appeals Board

A board established by Iowa Code chapter 24 which includes the Director of the Department of Management, the Auditor of State, and the Treasurer of State. This board holds hearings on protests of municipal budgets such as schools and considers requests by municipalities such as schools to transfer money between funds.

Apportionment

The division or distribution of funds on the basis of a plan.

Appraisal

The act of making an estimate of value, particularly of the value of property, by systematic procedures that include physical examination, pricing, and often engineering estimates. Also, the value established by estimating.

Appropriation

An authorization granted by the legislative body to make expenditures and to incur obligations for specific purposes.

Arbitrage

Transactions where securities are bought and sold in different markets at the same time for the purpose of profits arising from different prices in the two markets. Internal Revenue Service regulations govern arbitrage.

Area Education Agency (AEA)

Established by the Sixty-fifth General Assembly to replace county and joint county school systems effective July 1, 1975. The AEA receives funding through the local school district budget process to provide instructional services, media services and special education support services to local school districts. An AEA is a school corporation.

Assessed Valuation

The value of property determined on an annual basis by the county assessor for purposes of taxation.

Assessment

A compulsory levy made by a local government against certain properties to defray part or all of the cost of a special improvement or service which is presumed to be of general benefit to the public and of special benefit to the owners of such property.

Assets

An amount owned of items of value including all properties and claims against others, which may be applied to cover liabilities.

Attendance Center

A public school building that contains classrooms used for instructional purposes for elementary, middle, or secondary school students.

Audit

The examination of records and documents and internal accounting systems and procedures for one or more of the following purposes: (a) determining the propriety of proposed or completed transactions, (b) ascertaining whether all transactions have been recorded, (c) determining whether transactions are accurately recorded in the accounts and in the statements drawn there from in accordance with Generally Accepted Accounting Principles (GAAP).

Authorized Budget

The maximum amount a district may expend from the General Fund for the budget year. The amount is the sum of the combined district cost plus the unspent balance from the prior budget year plus the actual miscellaneous income received during the budget year plus the instructional support program and educational improvement program. The authorized budget is also called the maximum spending authority.

**Average Daily Attendance
(ADA)**

The aggregate days attendance of a given school district during a reporting period divided by the number of days school is in session during this period. Only days on which the pupils are under the guidance and direction of teachers should be considered as days in session.

**Average Daily Membership
(ADM)**

The aggregate days membership of a school district during a reporting period divided by the number of days school is in session during this period. Only days on which the pupils are under the guidance and direction of teachers should be considered as days in session.

Balance Sheet

A formal statement showing the financial position of a fund or government as of a given date showing assets, liabilities, and fund balance or equity.

Base Year

The fiscal year prior to the budget year. This is the school year ending during the calendar year in which a budget is certified.

Baseline data

Information gathered at a selected point in time and used thereafter as a basis from which to monitor change.

**Basic Education Data Survey
(BEDS)**

An annual data collection of staffing, student, and curriculum information.

Basis of Accounting

The generally accepted accounting principle (GAAP) regarding the TIMING of recognition of revenues and expenditures/expenses.

Beginning Balance

The amount of money a district has on hand at the start of a fiscal year, consisting of dollars remaining at the end of the previous fiscal year. Balances are reported for each fund separately.

Bid

The process which includes legal advertising and direct contact with appropriate vendors for goods or services based on specifications.

Board of Education

The elected body, which has been created according to state, law and vested with the responsibilities for educational activities in a given geographical area.

Board Secretary

An executive position established by law and appointed by the local board of education.

Board Treasurer

An executive position established by law and appointed by the local board of education. The board secretary may also serve as the board treasurer.

Bond

A written promise, generally under seal, to pay a specified sum of money, called the face value, at a fixed time in the future, called the date of maturity, and carrying interest at a fixed rate, and payable as specified. The difference between a note and a bond is that the latter usually runs for a longer period of time and requires greater legal formality. See also Refunding Bonds, Surety Bonds.

Bonded Indebtedness

The portion of the school district debt which is covered by outstanding bonds of the district.

Book Value

Value as shown by the books of account.

Budget

A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them.

Budget Adjustment

An adjustment to the regular program district cost of a school district for school districts in which the regular program district cost for a year would be less than the regular program district cost for the previous year. This adjustment is being phased out.

Budget Enrollment

The budget enrollment is the October certified enrollment count of the base year. The base year enrollment is used for the budget because the enrollment for the budget year has not yet been taken (October) at the time that the budget is certified (April).

Budget Guarantee

A minimum percentage set by the legislature of how much a district's regular program district cost will be compared to the prior budget year. In recent years, the legislature has set 100% or 101%, and currently this guarantee is being phased out.

Budget Year

The school year beginning during the calendar year in which a budget is certified. Budgets are certified in April of a calendar year with the school year beginning the following July 1.

Budgetary Accounts

Those accounts necessary to reflect budget operations and conditions, such as estimated revenues, appropriations, and encumbrances.

Budgetary Control

The control or management of the business affairs of the school district in accordance with an approved budget with a view toward keeping expenditures within the authorized amounts.

Capital Project Funds

Funds used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

Cash Basis

The basis of accounting under which revenues are recorded when the cash is received and expenditures/expenses are recorded when the cash is disbursed. Iowa school districts and AEAs may not use cash basis for budgeting or financial reporting.

Cash Reserve Levy

A levy which a local school board may implement in order to provide cash to fund its maximum authorized budget and/or to provide cash flow. This levy does not increase the budget authority. This levy may be reduced by the School Budget Review Committee (SBRC).

Cash Reserve Levy Limit

Cash reserve levies in the general fund for the budget year shall not exceed 25 percent of the general fund expenditures for the year previous to the base year minus the fund balance for the year previous to the base year.

Categorical Aid

Educational support funds provided from a higher governmental level and specifically limited to a given purpose.

Certificate of Need

A written approval requested by a school district that has a certified enrollment of fewer than 250 students in the district or that has a certified enrollment of fewer than 100 students in grades 9-12 to expend the supplemental school infrastructure amount for new construction or for payments for bonds issued for new construction against the supplemental school infrastructure amount.

Certified Annual Report (CAR)

An electronically submitted report of financial data required by Iowa Code to be filed with the Department of Education by each school district and area education agency annually. It is an upload of the local district or AEA's chart of accounts.

Certified Budget

A report showing the amount of taxes to be levied for each fund and/or program and the aggregate revenues and expenditures. This report is certified by the local board after holding a public hearing and adoption. See Adopted Budget.

Certified Enrollment

An annual report of counts of all resident students enrolled on the first day of October used for the Iowa School Finance Formula calculation, including supplementary weighting for shared programs, Limited English Proficient weighting, nonpublic shared time, open enrollment, home school assistance programs, and dual enrollment of home schoolers.

Certifying Board

Any public body which has the power or duty to certify any tax to be levied or sum of money to be collected by taxation.

Chart of Accounts

A list of all accounts generally used in an individual accounting system. In addition to account title, the chart includes an account number which has been assigned to each account. Accounts in the chart are arranged with accounts of a similar nature; for example, assets and liabilities.

Charter School

A new school designated by the state board and created within an existing attendance center or a new school created by converting an existing attendance center to charter status.

Clearing Account

Accounts used to accumulate total revenues or expenditures either for later distribution among the accounts to which such revenues or expenditures are properly allocable, or for recording the net differences under the proper account. Also called revolving accounts. Iowa school districts and AEAs MAY NOT use clearing accounts in any fund.

Coding

A system of numbering, or otherwise designating, accounts, entries, invoices, vouchers, etc., in such a manner that the symbol used reveals quickly certain required information.

Combined District Cost Per Pupil

An amount which is the sum of the regular program district cost per pupil for a year and the special education support services district cost per pupil for that year.

Combined State Cost Per Pupil

An amount which is the sum of the regular program state cost per pupil for a year and the special education support services state cost per pupil for that year.

Community College

A publicly supported school which may offer programs of adult and continuing education, lifelong learning, community education, and up to two years of liberal arts, preprofessional, or occupational instruction partially fulfilling the requirements for a baccalaureate degree but confers no more than an associate degree; or which offers as the whole or as part of the curriculum up to two years of vocational or technical education, training, or retraining to persons who are preparing to enter the labor market.

Competent Private Instruction (CPI)

Private instruction provided on a daily basis for at least 148 days during a school year, to be met by attendance for at least 37 days each school quarter, by or under the supervision of a licensed practitioner, parent, guardian or legal custodian, which results in the student making adequate progress. See Private Instruction.

Constant Dollars

Dollar amounts that have been adjusted by means of price indexes to eliminate inflationary factors and allow direct comparisons across years. Also called real dollars.

Consultant

A resource person who provides assistance to the regular personnel through conference, demonstration, research, or other means. A consultant may perform services under contract (purchased services) or may be an employee on the payroll of a state or area education agency.

Cost Accounting

That method of accounting which provides for the assembling and recording of all the elements of cost incurred to accomplish a purpose, to carry on an activity or operation, or to complete a unit of work or a specific job.

Cost Benefit

Analyses which provide the means for comparing the resources to be allocated to a specific program with the results likely to be obtained from it; or, analyses which provide the means for comparing the results likely to be obtained from the allocation of certain resources toward the achievement of alternate or competing objectives.

Cost Effectiveness

Analyses designed to measure the extent to which resources allocated to a specific objective under each of several alternatives actually contribute to accomplishing that objective so that different ways of gaining the objective may be compared.

Current Dollars

Dollar amounts that have not been adjusted for inflation.

Current Expenditures Per Pupil

An average amount expended per student served by a district. The calculation considers all public education, K-12, expenditures without debt service, capital outlay, community service, fiduciary or proprietary expenditures/expenses.

Curriculum Based Budgeting

See Program Budgeting

Debt Service Fund

A fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Revenues from the Debt Service Levy certified by the board may be used to retire only bonded indebtedness authorized by the voters.

Defeasance

The act of extinguishing debt based on provisions in the debt instrument even though the debt has not actually been paid. This term is used with refunding bonds.

Deficit

The excess of the obligations of a fund over the fund's resources.

Depreciation

A method to decrease the value of fixed assets, other than real property, over a specified time period. Assets in governmental funds are not depreciated within the accounting system, however assets in proprietary funds are.

Dillon Rule

Iowa school corporations operate under Dillon Rule which states that they possess and can exercise the following powers and no others: (1) Those granted in express words, (2) Those necessarily implied or necessarily incident to the powers expressly granted, and (3) Those absolutely essential to the declared objects and purposes of the school corporation--not simply convenient or desired, but indispensable. Interpretation of school laws may be done by the Iowa Attorney General's Office and the Iowa Department of Education. These Opinions or Rules, once given, have the effect of law on schools. Dillon Rule helps maintain equity for all Iowa students.

District Cost Per Pupil

Local district costs per pupil were initially established in 1971-72 and recalculated in 1991-92. The number is used to establish the combined district cost. Each year the amount is increased by a dollar amount which is the product of the allowable growth times the state cost per pupil. The district cost per pupil is also the Maximum Tuition Rate.

Double Entry

A system of accounting which requires that for every entry made to the debit side of an account or accounts an entry for the corresponding amount or amounts to the credit side of another account or accounts must be made. Iowa school districts and AEAs are required to use double entry accounting in all funds.

Dual Credit

A high school student, who also enrolls in a community college class, and receives both community college and high school credit for that class, is receiving dual credit.

Dual Enrollment

A student who is receiving private instruction may also enroll in one public school district for instructional programs or services.

Educational Improvement Program Levy

A voted levy to provide additional funding for a school district in which the regular program district cost per pupil for a budget year is 110% of the regular program state cost per pupil for the budget year or the district had adopted an enrichment levy of 15% prior to July 1, 1992, and which have approved the use of the instructional support program. The Educational Improvement Program may include a property tax and income surtax. The Educational Improvement Program must be accounted for in the General Fund.

Eligible Elector

A person who possessed all of the qualifications necessary to entitle the person to be registered to vote, whether or not the person is in fact so registered.

Encumbrances

Purchase orders, contracts, and salaries or other commitments which are chargeable to an appropriation and for which a part of the appropriation is designated. They cease to be encumbrances when paid, when an actual liability is established, or at the end of the budget year. An encumbrance may be re-established in the subsequent year's budget.

Ending Balance

The dollars remaining available to the district after all expenditures are made during a fiscal year. Balances are reported for each fund separately.

Enrolled

A student that has registered with the school district and is taking part in the educational program is considered enrolled.

Enterprise Funds

Funds used to account for operations which are financed and operated in a manner similar to private business. No taxes are levied for these funds.

Entry

The record of a financial transaction in its appropriate book of accounts. Also the act of recording a transaction in the books of account.

Equipment

An item which meets ALL of the following tests: (1) lasts more than one year, (2) would be repaired rather than replaced, (3) is an independent unit rather than being incorporated into another unit item, (4) the cost of tagging and inventory is a small percent of the item cost, and (5) the cost exceeds a minimum dollar value set by the local government unit, for example \$300-500.

Equity

The mathematical excess of assets over liabilities. Generally this excess is called Fund Balance.

Face Value

This term designates the amount of the liability stated in the security document.

Facility

A dimension in the Uniform Financial Accounting System which identifies the school building, grade level, operational unit, or cost center. This is mainly used for site-based management and charter schools.

Feasibility Study

A report of the financial practicality of a proposed activity or project. The report may include estimates of revenues and expenditures and a review of the operating or economic aspects of the proposal.

Fee

A charge to students, calculated at cost, for goods or services provided to the students, and which are authorized by law.

Fidelity Bond

A bond guaranteeing the school district against losses resulting from the actions of the specified officers and employees of the district.

Fiduciary Funds

A classification category which includes both Agency Funds and certain Trust Funds. These funds are established when the entity handles assets in a trustee or agent capacity.

Financial Accounting

The recording and reporting of activities and events affecting the money of an administrative unit and its program. Specifically, it is concerned with (1) determining what accounting records are to be maintained, how they will be maintained, and the procedures, methods, and forms to be used; (2) recording, classifying, and summarizing activities or events; (3) analyzing and interpreting recorded data; and (4) preparing and initializing reports and statements which reflect conditions as of a given date, the results of operations for a specific period, and the evaluation of status and results of operation in terms of established objectives.

Fiscal Period

Any period at the end of which a school district determines its financial condition and the results of its operations and closes its books. It is usually a year, though not necessarily a calendar year. The fiscal period for Iowa school districts is July 1 through the following June 30. The fiscal period for federal government is October 1 through the following September 30.

Fixed Assets

Long-lived tangible assets such as land, buildings, machinery, furniture, and other equipment which the school district intends to hold or continue in use over a long period of time. Fixed denotes probability or intent to continue use or possession, and does not indicate immobility of an asset.

Foundation Formula

A system established in Iowa Code to determine the level of funding school districts shall receive from state aid, property taxes, and certain income surtaxes for the General Fund.

Function

A dimension in the Uniform Financial Accounting System structure which is used with expenditures/expenses in all funds. The function describes the activity for which a service or material object is acquired. The functions are classified into five broad areas: Instruction, Support Services, Operation of Non-Instructional Services, Facilities Acquisition and Construction Services, and Other Outlays/Uses.

Fund

An independent accounting entity with its own assets, liabilities, and fund balance. Generally, funds are established to account for financing of specific activities of an agency's operations.

Fund Balance

The excess of the assets of a fund over its liabilities.

General Fund

This fund must be established by all Iowa schools. All moneys received by a school corporation from taxes and other sources must be accounted for in the General Fund except moneys required by law to be accounted for in another fund.

Generally Accepted Accounting Principles (GAAP)

GAAP is a codified set of currently effective accounting and reporting standards and principles. These standards are adopted only after a lengthy process of public review. Governmental GAAP is established by the Governmental Accounting Standards Board (GASB). Iowa school districts and area education agencies are required by law to be in compliance with GAAP beginning with July 1, 1996.

Governmental Accounting Standards Board (GASB)

A board established in 1984 to promulgate standards of financial accounting and reporting of activities and transactions of state and local governments.

Governmental Funds

A classification of funds which include the General Fund, Special Revenue Funds, Debt Service Fund, Permanent Funds, and Capital Project Funds.

Governmental L-T Liabilities/Debt Summary Accounts

A self-balancing group of accounts used to account for general long-term debt of governmental funds of a governmental unit. This account group was established in Iowa when the general long-term debt account group was eliminated with the implementation of GASB Statement 34.

Governmental Long-term Assets Summary Accounts

A self-balancing group of accounts used to account for fixed assets of governmental funds of a governmental unit. This account group was established in Iowa when the General Fixed Assets Account Group was eliminated with the implementation of GASB Statement 34.

Imprest System

A system for handling disbursements whereby a fixed amount of money is set aside for a particular purpose. Disbursements are made from time to time as needed. At certain intervals, a report is rendered of the amount disbursed, and the cash is replenished for the amount of the disbursements, ordinarily by check drawn on the fund or funds from which the items are payable. The total of cash plus unreplenished disbursements must always equal the fixed sum of cash set aside. Petty cash funds are handled on an imprest system.

Indirect Costs

Those elements of cost necessary in the provision of a service which are of such a nature that they cannot be readily or accurately identified with the specific service.

Individualized education program (IEP)

The written record of an eligible individual's special education and related services for children aged 3 years through 21 years with disabilities as defined in Iowa Administrative Code.

Individualized family service plan (IFSP)

The written plan for providing early intervention services to an eligible child and the children's family in accordance with Iowa Administrative Code.

Instructional Support Program Levy

A school district may establish an Instructional Support Program to provide additional funding. The board may adopt a resolution for a period not exceeding five years without a public vote, unless it receives a proper petition to submit the question to a vote. The public may vote for the Program for a period not exceeding ten years. The Instructional Support Program may be fund by all property tax or a combination of property tax and income surtax. The Instructional Support Program must be accounted for in the General Fund and may be used for any purpose allowed from the General Fund.

Interfund Loans

Money which is taken temporarily from one fund under the control of the board of education and added to another fund also under the board's control. Interfund loans and temporary transfers are not revenues or expenditures of the funds or of the school district.

Interfund Transfers

Permanent transfers of assets, usually cash, from one fund to another fund.

Internal Auditing

Activities involved with evaluating the adequacy of the internal control system; verifying and safeguarding assets; reviewing the reliability of the accounting and reporting system; and ascertaining compliance with established policies and procedures.

Internal Control

A plan of organization under which employee's duties are so arranged and records and procedures so designed as to make it possible to exercise effective accounting control over assets, liabilities, revenues, and expenditures. For example, under such a system, the employee's work is subdivided so that no one employee performs a complete cycle of operations. For instance, an employee handling cash would not post the accounts receivable records. Again, under such a system, the procedures to be followed are definitely established and such procedures call for proper authorizations by designated officials for all actions to be taken.

Internal Service Funds

Funds used to account for the provision of goods or services by one department or fund to other departments or funds of the governmental unit on a cost-reimbursement basis. If the governmental unit is not the major user of the good or services, the activity should be reported in an enterprise fund rather than internal service fund.

Intrafund Transfers

Permanent transfers from one account to another account within the same fund.

Inventory

A detailed list or record showing quantities, descriptions, values, and frequently, units of measure and unit prices of property or supplies on hand at a given time. Inventory may be accounted for either on the purchases basis or on the consumption basis, except that proprietary funds must use the consumption basis. On the purchases basis, the inventory is considered an expenditure when purchased. On the consumption basis, the inventory is considered an expenditures when used.

Invoice

An itemized list of merchandise purchased from a particular vendor. The list includes such information as quantity, description, price, terms, and date.

Junior-Senior Rule

Eleventh and twelfth grade nonresident pupils, who are still Iowa residents, who were residents of the district during the preceding school year, may continue to enroll in the district until the pupils graduate without requiring open enrollment.

LEA

(Local Education Agency)

Lease, Capital

Leases agreements in which title passes or is expected to pass at some latter date or in which there exists the ability for the lessee to purchase at less than fair market value. Lease-purchases are capital leases.

Lease, Operating

Written rental agreement in which title does not pass, nor is intended to pass, to the lessee.

Levy

The total of taxes or special assessments imposed by a governmental unit. Also the act of imposing taxes or special assessment.

Levying Board

The board of supervisors of the county and any other public body or corporation that has the power to levy a tax.

Liabilities

Debt or other legal obligations arising out of transactions in the past which are payable but not necessarily due. An encumbrance is not a liability; it becomes a liability when the services or materials for which the encumbrance was established have been rendered or received.

Library Levy Fund

A fund created to deposit and expend money related to providing a community library. The Library Levy Fund is a Special Revenue Fund.

Limited English Proficient (LEP)

A student who has a language background other than English, and the proficiency in English is such that the probability of the student's academic success in an English-only classroom is below that of an academically successful peer with an English language background. There is special weighting for Limited English Proficient students.

Line-Item Budget

The standard format for presenting financial plans used in most public school districts. This budget provides figures on a districtwide basis at the chart of account level, including an estimated beginning balance, expected revenues listed by source, planned expenditures listed by function, program, project, and object, and a resulting ending balance. A line-item budget is a managerial device and is not required by law. See Program Budget.

Local Education Agency (LEA)

An educational agency at the local level which exists primarily to operate schools or to contract for educational services. Taxes may be levied by such publicly-operated agencies for school purposes. Also called a school district. An LEA is a school corporation.

Management Information System (MIS)

A network of information that acquires, retrieves, and redistributes data used in managing the educational process and in supporting the individual and collective decision-making process.

Management Levy Fund

A fund created to deposit and expend money from a levy certified by the board of directors for the purpose of liability insurance, unemployment, early retirement incentives, and judgments. The Management Levy Fund is a Special Revenue Fund.

Maximum Authorized Budget

The amount that expenditures in a local school district cannot exceed.

Maximum Tuition Rate

See District Cost Per Pupil.

Memoranda Account

An informal record of a school district transaction that cannot be recorded under the regular financial accounts but for which a record is desired.

Mill

A rate used in calculating property taxes expressed in units of one-tenth of one cent or 0.001 of one dollar. Instead of reporting tax levies in terms of millage, Iowa reports tax levies in terms of cents per thousand dollars.

Miscellaneous Income

All revenues and receipts deposited to the General Fund but not including state foundation aid, foundation property tax, or additional property tax generated through the foundation formula.

Modified Accrual Accounting

Accrual accounting for governmental funds is called Modified Accrual Accounting. The main difference between accrual accounting for commercial accounting and proprietary funds and modified accrual accounting for governmental funds is the accounting measurement objectives.

Motion

A proposal that the board of directors take certain action on a matter. It is a statement of direction rather than policy, and is made to handle routine business and to conduct meetings. See Resolution.

Municipality

Generally includes a township, city, county, or school corporation. Iowa Code defines municipality differently for different chapters.

Nonprofit School Organization

An entity or organization that meets all 3 of the following criteria: established by the board of directors of the school district, established for the sole benefit of the district and its students, and exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code.

Nonpublic School

A school, other than a public school, which is accredited or which uses licensed practitioners as instructors.

Nonresident Student

A student whose legal residence is outside the geographic area served by a specified school district.

Object

A dimension used in the Uniform Financial Accounting System for expenditures. The object is the service or commodity bought. Objects include salary, employee benefits, purchased services, supplies, property, debt service and miscellaneous objects, and other items/uses of funds.

Obligations

Amounts which the school system will be required to meet out of its resources, including both liabilities and encumbrances.

Open Enrollment

A procedure allowing a parent/guardian to enroll one or more pupils in an Iowa public school district other than the Iowa district of residence at no tuition cost to the parent/guardian.

Operational Audit

A systematic identification of ways to improve efficiency and effectiveness. Also called a performance audit. An operational audit is recommended, but not required.

Para-educator

A person who is certified to assist a teacher in the performance of instructional tasks to support and assist classroom instruction and related school activities.

Performance Audit

See Operational Audit.

Permanent Fund

Trust funds where the interest earned, but not the principal, may be used for purposes that support the governmental unit's program.

Petty Cash

A small sum of money set aside for the purpose of paying small obligations for which the issuance of a formal voucher and check would be too expensive and time-consuming. Iowa schools must use an imprest system for any petty cash funds they establish. See Imprest System.

Physical Plant and Equipment Levy Fund (PPEL)

A fund created to deposit and expend money from a levy certified by the board of directors and/or a voter-approved levy. The voter-approved levy may be all property tax or a combination of property tax and income surtax. The PPEL fund is a special revenue fund limited to expenditures for facilities, grounds, and certain equipment.

Posting

The act of transferring to an account in a ledger the detailed or summarized data contained in the cash receipts book, check register, journal voucher, or similar books or documents of original entry.

Principal

A licensed member of a school's instructional staff who serves as an instructional leader, coordinates the process and substance of educational and instructional programs, coordinates the budget of the school, provides formative evaluation for all practitioners and other persons in the school, recommends or has effective authority to appoint, assign, promote, or transfer personnel in a school building, implements the local school board's policy in a manner consistent with professional practice and ethics, and assists in the development and supervision of a school's student activities program.

Private Instruction

Instruction using a plan and a course of study in a setting other than a public or organized accredited nonpublic school. See Competent Private Instruction.

Private-Purpose Trust Fund

Trust funds where the principal and interest earned may be used for purposes that benefit individuals, private organizations, or other governments rather than the governmental unit.

Program

A dimension used in the Uniform Financial Accounting system for classifying revenues and expenditures. The program is a plan of activities and procedures designed to accomplish a predetermined objective or set of allied objectives.

Program Budget

A technique in which expenditure plans are formulated and resources appropriated on the basis of the expected services to be performed by organizational units. Line-items are organized by functions or programs and may also be organized by facilities. See Line-Item Budget.

Project

A dimension used in the Uniform Financial Accounting System for classifying revenues, expenditures, and balance sheet accounts. The project dimension permits the accumulation of expenditures to meet a variety of specialized reporting requirements at the local, state, and federal levels.

Proprietary Funds

Funds which account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the entity is that the costs of providing the goods or services be financed primarily through user charges or where a periodic determination of revenues, expense and net income is appropriate. Proprietary fund types include the School Nutrition Fund, the Day Care Fund, and Internal Service Funds.

Proposed Budget

The budget recommended based on a process of administrative planning.

Public Education and Recreation Levy Fund (PERL)

A fund created to deposit and expend money from a levy authorized by the voters. The PERL fund is a special revenue fund limited to expenditures for playgrounds and community education.

Public Improvement

A building or other construction work to be paid for in whole or in part by the use of funds of any municipality.

Public Measure

Any question authorized or required by law to be submitted to the voters at an election.

Public School

Any school directly supported in whole or in part by taxation.

Pupil Accounting

A system for collecting, computing, and reporting information about pupils.

Purchase Order

A document which authorized the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

Qualified Elector

See registered voter

Reconstructing

Rebuilding or restoring as an entity a thing which was lost or destroyed.

Refunding Bonds

Bonds issued to retire bonds already outstanding; usually issued at a lower interest rate.

Regional Academy

An educational institution established by a school district to which multiple other school districts send pupils in grades nine through twelve and which includes advanced-level courses. In addition to the advanced-level courses, the curriculum of the academy may include a virtual academy and vocational-technical programs. A regional academy is not the same thing as a regional high school or career academy.

Registered Voter

A person who is registered to vote.

Regular Election

See School Election

Repairing

Restoring an existing structure or thing to its original condition, as near as may be, after decay, waste, injury, or partial destruction, but does not include maintenance.

Requisition

A written request to a purchasing officer for specified articles or services. It is a request from one school employee to another school employee, whereas a purchase order is from a school official to a vendor.

Reserve

An amount of fund balance set aside for some specified legal purpose.

Resident Pupil

A child who is physically present in a district, whose residence has not been established in another district by operation of law, and who meets any of the following conditions: (1) is in the district for the purpose of making a home and not solely for school purposes, (2) meets the definitional requirements of the term homeless individual under federal law, or (3) lives in a juvenile detention center, foster care facility, or residential facility in the district.

Resolution

A proposal used for official decisions of the board of directors that take legal effect when they are passed and are likely to establish policy. See Motion.

Restricted Grants-in-Aid

Revenues to the school district or AEA that must be used for a categorical or specific purpose. If such money is not completely used, it usually is returned to the granting governmental unit. These grants, if federal, will include a "supplement, not supplant" clause, and if indirect costs are allowed, the restricted cost rate must be used. See Unrestricted Grants-in-Aid.

Revenue purpose statement

A document prepared by the school district indicating the specific purposes for which the local sales and services tax for school infrastructure revenue and the supplemental school infrastructure amount will be expended.

School Age

A person between five and twenty-one years of age.

School Based Budget

A budget format presenting the expenditures to be made by an individual school. This is an alternative to the traditional line-item budget. See Line-Item Budget.

School Board

A board of school directors regularly elected by the qualified voters of a school corporation.

School Budget Review Committee (SBRC)

A committee established by Iowa Code chapter 257 and appointed by the Iowa Governor with the Director of the Department of Education as the Chair, the Director of the Department of Management as the Secretary, and three lay members. This committee reviews school budgets and hears requests from school districts for modified allowable budget growth.

School District

See Local Education Agency

School Election

The election held annually on the second Tuesday in September in each school district for the election of officers of the district and merged area and for the purpose of submitting to the voters any matter authorized by law.

School Nutrition Fund

A fund created to deposit and expend money related to the operation of the school nutrition program. No taxes are levied for this fund. The School Nutrition Fund is an Enterprise Fund.

Schoolhouse 67.5 Cent Levy Fund

A fund created to deposit and expend money from a levy authorized by the voters. The opportunity to seek any new or renewed levy has expired. The schoolhouse 67.5 Cent Levy Fund is a special revenue fund limited to expenditures for facilities and grounds.

Secretary's Balance

A budget term referring to the General Fund unexpended ending fund balance on the budget basis.

Source

A dimension of the Uniform Financial Accounting System for revenues to differentiate local, intermediate, state and federal sources of funding.

Special Election

Any election other than the school election held for any purpose authorized or required by law. Some special elections may be held in conjunction with the regular school election.

Special Revenue Funds

Funds which are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Special Revenue Funds include the Student Activity Fund, the Management Levy Fund, the Physical Plant and Equipment Levy Fund, the Public Education and Recreation Levy Fund, the 67.5 Cent Schoolhouse Levy Fund, Special Revenue Trust Funds, and the Library Levy Fund.

Special Revenue Trust Fund

Trust funds where the principal and interest may be used for purposes that support the governmental unit's programs.

Staff Accounting

Pertains to services rendered in connection with the systematic recording, filing, and storing of information related to staff members employed by the school system.

Stamped Warrants

A warrant which is registered by the paying officer for future payment on account due to present lack of funds, and which is to be paid in the order of its registration.

State Cost Per Pupil

The state cost per pupil was initially established in 1971-72 and recalculated in 1990-91. The number is used to establish the combined state district cost and to establish the district cost per pupil. Each year a dollar amount is determined which is the product of the allowable growth rate set by the legislature times the state cost per pupil. This dollar amount is added to the cost per pupil of the prior year.

Strategic Budgeting

A goal-oriented process for developing a resource allocation plan.

Student Activity Fund

A fund created to deposit and expend money related to district sponsored and supervised co-curricular activities for students. No taxes are levied for this fund. The Student Activity Fund is a Special Revenue Fund.

Subsidiary Accounts

Related accounts which support in detail the summaries recorded in a controlling account.

Superintendent

An administrator who promotes, demotes, transfers, assigns, or evaluates practitioners or other personnel, and carries out the policies of a governing board in a manner consistent with professional practice and ethics.

Supplemental Aid

A payment calculated under Iowa Code 257.31(14) that a school district may request from the School Budget Review Committee if that district ended the fiscal year with a special education deficit balance.

Supplementary Weighting

Additional funds for districts which send resident pupils to another school district or community college for classes, jointly employ and share the services of teachers, or use the services of a teacher employed by another school district. Also available for a district that establishes and hosts a regional academy of advanced-level curriculum to which multiple other districts send students.

Surety Bond

A written promise to pay damages or to indemnify against losses caused by the party or parties named in the document, through nonperformance or through defalcation; for example, a surety bond given by a contractor or by an official handling cash or securities.

Surtax

A tax applied to individual income taxes to generate additional funds for local school districts.

**Tax Increment Financing
(TIF)**

Financing secured by the incremental property tax revenues generated from a development project. The project area is designated and its property tax base frozen. Revenues from the incremental growth of the property base are used to provide additional funds for further development or for debt service on financing issued for development purposes.

Taxes

Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit. The term includes licenses, permits and surtaxes. It does not include special assessments.

Teacher

A licensed member of a school's instructional staff who diagnoses, prescribes, evaluates, and directs student learning in a manner which is consistent with professional practice and school objectives, shares responsibility for the development of an instructional program and any coordinating activities, evaluates or assesses student progress before and after instruction, and who uses the student evaluation or assessment information to promote additional student learning.

Textbooks

Books and loose-leaf or bound manuals, and systems of reusable instructional materials or combinations of books and supplementary instructional materials which convey information to the student or otherwise contribute to the learning process, or electronic textbooks, including but not limited to software, applications using computer-assisted instruction, interactive videodisc, and other computer courseware and magnetic media.

Trial Balance

A list of the balances of the accounts in a ledger kept by double entry, with the debit and credit balances shown in separate columns. If the totals of the debit and credit columns are equal or their net balance agrees with a controlling account, the ledger from which the figures are taken is said to be in balance.

Trust Funds

Trust funds are used to account for assets held in a trustee capacity by the school district.

Tuition

An amount of money charged by a school district or educational institution for instruction for a set period of time.

Unencumbered

That portion of an appropriation, or allotment, or fund balance which has not yet been expended or encumbered; the balance remaining after deducting the accumulated expenditures and outstanding encumbrances.

Unexpended

That portion of an appropriation, or allotment, or fund balance which has not yet been expended; the balance remaining after deducting the accumulated expenditures.

Uniform Financial Accounting

A system of accounting for financial activity and transactions which is required of all school districts and area education agencies. The system is a management information system (MIS) and is based on the Handbook II, Revised 2003, published by the National Center for Education Statistics at the U.S. Department of Education.

Unrestricted Grants-in-Aid

Revenues to the school district or AEA that can be used for any legal purpose without restriction. These grants will not include a "supplement, not supplant" clause, and if indirect costs are allowed, the unrestricted cost rate may be used. See Restricted Grants-in-Aid.

Unspent Balance

The unspent balance is the difference between the district's maximum authorized spending authority and its actual expenditures for a year in the General Fund. The unspent balance from the prior fiscal year is added to the district's combined budget and can be spent the following year. An unspent balance represents spending authorization under the Iowa school finance formula and might not be backed by sufficient cash.

Voucher

A document which authorizes the payment of money and usually indicates the accounts to be charged.

Warrant

A written order drawn by the school board or its authorized officer directing the school district treasurer to pay a specified amount to a designated payee.

The budget enrollment plus an additional amount for the costs of providing special education services to identified students.

Whole-Grade Sharing

A procedure used by school districts whereby all or a substantial portion of the pupils in any grade in two or more school districts share an educational program for all or a substantial portion of a school day under a written agreement. Whole grade sharing may be one-way or two-way sharing.

Zero-Based Budgeting

A technique which prepares several service level alternatives based on funding levels for both existing and new program initiatives. Resources are appropriated to the various programs based on the priority of these alternatives. It involves justification of each item in the entire budget during each budgeting cycle as well as consideration of the consequences of not funding a specific program.